NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Cliff Lake Timber Sale is located within Sections 19, 29, 30, 31, & 32, T30N-R22W on the State's Kalispell Unit. Approximately 22,060 tons, consisting of Douglas-fir, western larch, and lodgepole pine sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on July 9, 2008 at 2:00 p.m. Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received. Bids must be accompanied by a deposit of \$16,559.00, representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within **45** calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), the Northwestern Land Office, in Kalispell (406-751-2240), or the Kalispell Unit Office in Kalispell, MT (406-751-2266).

Visit our website at www.dnrc.mt.gov Online Services for upcoming sales and bid results.

/s/ David Groeschl, Chief Forest Management Bureau Trust Land Mgmt Division

Publication Dates: June 5, 12, 19, 26, 2008

TIMBER SALE PROSPECTUS MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Cliff Lake

Timber Sale Location: Sections 19, 29, 30, 31, & 32, T30N-R22W

For specific sale information, contact:

Phone 406-751-2266 Pete Seigmund Unit Office: Kalispell

For copies of the Timber Sale Contract and bid forms, contact:

Phone 406-542-4300 Forest Management Bureau DNRC Missoula Office

Phone 406-751-2240 Northwestern Land Office Land Office

General Bidding Information

- 1. Bids must be submitted on standard Department of Natural Resources & Conservation (Dept) bid forms.
- 2. Timber will be sold to the highest responsible bidder; however, the Dept reserves the right to reject any or all bids.
- 3. The Dept recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
- 4. A **Bid Guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, money order, bank draft, surety bond or irrevocable letter of credit.
- 5. The Purchaser must submit a **Performance Bond** to the Dept within a maximum of 45 days of notification of sale award. The bond amount will be, at a minimum, 20% of the total bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract. See the Timber Sale Contract for additional information.
- 6. The Purchaser must submit an **Advance Stumpage Payment** prior to cutting any timber. The amount of the advance stumpage payment will be based on the expected harvest rate and the bid value of the stumpage. The advance stumpage payment may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
- 7. At rates specified in the Contract, the Purchaser will pay **Forest Improvement Fees** on all sawlog volume. All applicable **Road Use and/or Maintenance fees** will also be paid by the Purchaser in addition to stumpage payments.
- 8. This sale is being sold based on the gross weight of all species. Minimum price and bid price are on a per ton basis. Unless specified, the price applies to all species, green and dead. Price may vary by product. Billing will be based on gross weight. A weight ticket from a certified scale is required for each load hauled, regardless of product type.
- 9. The Dept has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. Other products may be part of this sale. All delivered wood will be weighed and billed at per ton bid rates. The Dept recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. The Dept strongly recommends that bidders evaluate these effects before bidding.
- 10. The Dept does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not the true market value. The Dept strongly recommends that bidders make their own estimates based on contract requirements. Cost estimates provided are not guaranteed.
- 11. Bidders are encouraged to examine the complete Timber Sale Package and Sale Area prior to bidding. Additional information is available at the phone numbers shown above.
- 12. Estimates for sale volume, species percents, defect, product class, etc. provided in this prospectus and volume estimates listed in the sale contract <u>are not guaranteed.</u>
- 13. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

TABLE 1: Summary of Sale Specifications							
Sale Data							
472	Net Sale Area (acres)	0.84	Miles of road construction				
November 1, 2011	Contract ending date	5.6	Miles of road reconstruction & maintenance				
N/A	Cable logging required (% of volume)	0.35	Miles of road reclamation or abandonment				
. 0	Operating Season Logging: Between October 15 and March 15 when soil compaction requirements can be met. Operating Season Roads: When site conditions allow.						
Charges and Appraised Costs							
\$16,559.00	Bid Guarantee (total \$)						
20% of bid value	Performance Bond						
\$ N/A	Collected Road Maintenance And Road Use Charges (\$ per ton)						
\$4.14	Collected Forest Improvement Fee (\$ per ton)						
\$15,221.40	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)						
\$44,333.10	Road Development Costs - Appraised Purchaser-Do (total \$)						
\$0.20	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)						
\$0.20	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)						
\$ N/A	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)						

TABLE 2: Timber Cruise Data and Minimum Bids									
SPECIES	PP	DF	WL	LP				Dead/Dry	TOTAL or AVE
Minimum Acceptable Bid									\$15.01/ton
Pounds per cubic foot	62.0	61.7	58.3	56.0				40.0	60.5
Contract Tons	58.6	16,863.4	3,776.0	1,160.3				201.3	22,060
Gross MBF (Scribner 6" top DIB)	6.3	2,896.6	585.9	188.6				65.1	3,742
%Cull and Breakage	0%	12%	7%	3%				33%	11%
Net MBF	6.3	2,542.2	545.9	182.1				43.8	3,320
Average logs per MBF	174	22.3	63.5	55.4				58	31.7
Average DBH	8.0	12.4	9.1	9.5				11.0	11.2
Average tons per acre harvested							46.74		
Average MBF cut per acre on the timber sale							7		
Range of cut trees per acre based on unit cruise						58 to 120			

Calculated Sampling Error (net MBF): 12.5%

The total cruised volume will fall between 2,905 and 3,736 thousand net board feet in 9 out of 10 cruises

Tons Per Thousand Board Feet Conversion Factor

6.64 tons per MBF = 22,060 estimated tons to a 5.6" top \div 3,320 net MBF Scribner to a 5.6" top DIB.

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TABLE 3: Unit Harvest Volume and Harvest Schedule								
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date			
1	19 & 30	197	7,199	1,060.5	March 15, 2011			
2	29, 30, 31 & 32	123	4,419	652.5	March 15, 2011			
3	31 & 32	152	10, 442	1,607.4	March 15, 2011			

Additional Sale Information:

- 1. Restricted Operating Period Logging activities must be conducted between October 15 and March 15 when one or more of the following conditions occurs, unless otherwise approved in writing by the Forest Officer.
 - a. Soil moisture content at 4-inch depth less than 20% oven-dry weight.
 - b. Minimum frost depth of 4 inches.
 - c. Minimum snow depth of 18 inches, loose, or 12 inches, packed.

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